

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7058

BILL NUMBER: HB 1257

DATE PREPARED: Feb 22, 2002

BILL AMENDED: Feb 21, 2002

SUBJECT: Indianapolis Administration.

FISCAL ANALYST: Chuck Mayfield

PHONE NUMBER: 232-4825

FUNDS AFFECTED: **GENERAL
DEDICATED
FEDERAL**

IMPACT: Local

Summary of Legislation: (Amended) This bill allows the Indianapolis City-County Council to negotiate with property owners the amount of payments in lieu of taxes (PILOTS) charged to properties that are partially or totally exempt from property taxation because the properties are used to provide housing for low income persons under the federal low income housing tax credit program. It provides that the PILOTS may not exceed the amount of property taxes that would have been imposed if the properties were not subject to an exemption. The bill reconciles conflicts within the low income housing program property tax exemption statute.

Effective Date: Upon passage; July 1, 2002.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: (Revised) The bill could reduce the revenue to the Housing Trust Fund in Marion county if the City-County Council and the property owner agree to a PILOT amount less than the amount of property taxes that would have been imposed by the city and county if the properties were not subject to an exemption. Under the current statute, the PILOT must equal the amount of property taxes that would have been paid to the city and county if the property was not exempt. The actual reduction in not known and would depend on the actions of the City-County Council and the property owners.

State Agencies Affected:

Local Agencies Affected: Marion County.

Information Sources: